



**MINUTES OF THE
CALIFORNIA INFRASTRUCTURE AND
ECONOMIC DEVELOPMENT BANK**

For the meeting held on
September 27, 2011, 1:30 p.m.
980 9th Street, Conference Center, 2nd Floor
Sacramento, California 95814

Chairman Jimenez called the meeting of the California Infrastructure and Economic Development Bank (I-Bank) Board to order at 1:32 p.m.

1. Call To Order and Roll Call.

The following Board members were in attendance:

Augustin Jimenez represented the Secretary of the Business, Transportation and Housing Agency.

Jennifer Rockwell represented the Director of the Department of Finance.

Francisco Lujano represented the State Treasurer.

Willie Armstrong represented the Secretary of the State and Consumer Services Agency.

D. Everett Rice was absent.

The following I-Bank staff members were in attendance:

Stan Hazelroth, Roma Cristia-Plant, Marilyn Munoz and Tara Dunn.

2. Executive Director's Report.

Executive Director Stan Hazelroth had nothing to report to the Board.

Consent Items:

3. Approve minutes from the meeting held on August 23, 2011.

Chairman Jimenez called for questions or comments from the Board and the public. Hearing none, he entertained a motion to approve this consent item. Mr. Lujano moved to approve the minutes and Mr. Armstrong seconded the motion. The minutes were unanimously approved.

Action Items:

4. Resolution 11-21 approving the sale, issuance and delivery of tax-exempt revenue bonds in an amount not to exceed \$64,925,000 to refund the outstanding California Infrastructure and Economic Development Bank Variable Rate Revenue Bonds (The Colburn School) Series 2006A.

Ms. Dunn presented a staff report describing the request to issue \$64,925,000 of tax-exempt 501(c)(3) revenue bonds to refund all or a portion of the outstanding bonds previously issued by I-Bank in 2006 (2006 Bonds) as auction rate securities. She reported that the 2006 Bonds were used to finance a portion of the construction, furnishing and equipping of the School's educational facilities. Ms. Dunn noted that the School anticipates the refunding will eliminate interest rate risk associated with auction rate securities and result in cost savings to be used to

further the School's programs. Ms. Dunn then introduced Seth Weintraub, the Chief Financial Officer for the Colburn School, Mike Moss from Bank of America Merrill Lynch, the underwriter for the bonds, and Marc Bauer from Orrick Herrington & Sutcliffe, LLP, the bond counsel for the transaction.

Chairman Jimenez called for any questions or comments from the Board or the public. Hearing none, he entertained a motion to approve Resolution No. 11-21. Ms. Rockwell moved to approve the resolution and Mr. Lujano seconded the motion. The Board unanimously approved the resolution.

5. Resolution 11-22 approving the sale, issuance and delivery of tax-exempt and taxable revenue bonds in an amount not to exceed \$153,000,000 to (i) refund, all or portion of, the outstanding California Infrastructure and Economic Development Bank Revenue Bonds (The J. David Gladstone Institutes Project) Series 2001 and (ii) finance the acquisition and installation of equipment and improvements.

Ms. Dunn presented a staff report describing the request to issue up to \$153 million of tax-exempt 501(c)(3) bonds and taxable bonds to refund all or portion of the outstanding bonds issued by the I-Bank in 2001 (2001 Bonds) and to finance the acquisition and installation of equipment and related facility improvements. Ms. Dunn indicated that the 2001 Bonds were used to finance the acquisition of land and construction of a biomedical research and administrative facility. She reported that Gladstone estimates that the new bonds would result in debt service cash flow savings of approximately \$1.2 million, which can be used to further Gladstone's research objectives. Ms. Dunn then introduced John Whiting, Vice President and Chief Financial Officer of the Gladstone Institutes, Vrinda Shaw from Goldman Sachs, the underwriter for the bonds, and Kurt Yeager, from Strading, Yocca, Carlson and Rauth, Gladstone's counsel.

Chairman Jimenez called for any questions or comments from the Board or the public. Hearing none, he entertained a motion to approve Resolution No. 11-22. Mr. Armstrong moved to approve the resolution and Mr. Lujano seconded the motion. The Board unanimously approved the resolution.

6. Resolution 11-23 approving a second supplemental indenture in connection with the an amendment to the letter of credit associated with the California Infrastructure and Economic Development Bank Variable Rate Demand Refunding Revenue Bonds (Los Angeles County Museum of Natural History Foundation), Series 2008A and Series 2008B.

Chairman Jimenez called for any questions or comments from the Board or the public. Hearing none, he entertained a motion to approve Resolution No. 11-23. Mr. Lujano moved to approve the resolution and Ms. Rockwell seconded the motion. The Board unanimously approved the resolution.

7. Resolution 11-24 superseding Resolutions 08-35 and 09-05 and delegating to the Executive Director and his assignees authority to act on behalf of the California Infrastructure and Economic Development Bank (Infrastructure Bank) in

providing financing assistance to qualified projects and otherwise conducting the business and affairs of the Infrastructure Bank.

Ms. Munoz presented a staff report explaining the request to approve a new resolution providing for the delegation of authority, over certain matters, from the Board to the Executive Director and his assignees. Ms. Munoz explained that the delegations related primarily to post-bond issuance and post-loan amendments and other routine or technical matters. Ms. Munoz also stated that the request includes augmenting authority under I-Bank's statute to seek external sources of funding for I-Bank programs and authority to recover I-Bank costs. Finally, Ms. Munoz indicated that, if approved, the proposed delegation resolution would supersede resolutions 08-35 and 09-05, the existing delegation resolutions.

In response to Chairman Jimenez's call for any questions or comments from the Board, Mr. Lujano requested staff to annually review the scope of the delegated authority to affirm its continued appropriateness, or to change it, if circumstances warranted. Ms. Rockwell requested clarification as to the Executive Director's ability to assign delegated authority. Ms. Munoz responded that although the I-Bank statute allows for such assignments, past practice has generally been limited to situations where Mr. Hazelroth was unavailable. Chairman Jimenez also requested that staff continue to report back to the Board, as soon as practicable, under the section of the Board meeting agenda entitled "Non-Action Items" on the exercise of delegated authority by the Executive Director or his assignees. Following this discussion, Chairman Jimenez called for any additional questions or comments from the Board or the public. Hearing none, Chairman Jimenez entertained a motion to approve Resolution No. 11-24. Mr. Armstrong moved to approve the resolution and Ms. Rockwell seconded the motion. The Board unanimously approved the resolution.

Discussion Items.

Chairman Jimenez called for any discussion items; there were none.

Other Non-Action Business.

Chairman Jimenez called for any other business; there was none.

Public Comment.

Chairman Jimenez called for any public comment; there was none.

Adjournment.

Chairman Jimenez declared the meeting adjourned at approximately 1:55 p.m.